

Your Secret Weapon in the E-Commerce Platform Wars: Integrated Shipping

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A SIMPLE WAY TO SPEED UP COMMERCE

A recent report by [eMarketer](#) projected that e-commerce will be a \$4T industry by 2020, with online sales accounting for 15 percent of total retail spending. The exponential growth of e-commerce means that in order to compete, platforms and brands alike must provide a customer experience that excels from beginning to end. Once considered an after-thought, being able to offer competitive shipping options is now a critical component of ensuring customer satisfaction, loyalty, and increased business. It is also one of the biggest cost centers for e-commerce businesses, requiring a significant investment of time and energy to maintain.

As e-commerce platforms seek new ways to stand out and emerging brands feel the pressure of competing with retail goliaths, the economics of developing in-house shipping solutions simply don't add up, especially given that integrating with third-party solutions is easier than ever. Providing seamless access to best-in-breed shipping tools frees organizations up to focus on providing a stellar customer experience so they can scale faster.

INTEGRATIONS WITH BEST-IN-BREED SOLUTIONS OUTPERFORM CUSTOM JOBS EVERY TIME

A thriving e-commerce ecosystem and the intense competition it fosters has made one thing very clear: customers want delivery to be quick, and they want it to be cheap — preferably free. But unless you're Amazon or Walmart, it's incredibly difficult to meet this demand. In fact, research suggests that offering free shipping is so cost-prohibitive, even massive retailers see it as a loss leader. For emerging brands and platform providers who don't have access to economies of scale, navigating the shipping industry on their own is daunting.

“The biggest impact is felt by e-commerce businesses, particularly smaller ones, which face what some have called an emerging crisis. The cost of free shipping, in many cases, is unsustainable.”

Fast Company

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However, building the teams and tools to support shipping is no longer a necessity. The custom in-house solutions and clunky APIs of the past — and all the attending maintenance they required — have given way to a new breed of integrated shipping solutions that make offering a competitive shipping function manageable.



“We can build more stuff, but it’s not always best to do that. Using Shippo’s OAuth integration lets us focus on our core strengths: marketplaces, shopping carts, and integrations with retailers.”

William Wynn
Lead Software Developer, CartRover

These integrated solutions do all the heavy lifting, offering access to a global network of shipping carriers and continuously optimizing their services so that clients can have confidence that their sellers are receiving up-to-date shipping rates and services. By maintaining relationships with all the major carriers and continuously adding new players or ones that have regional reach, these shipping solutions give sellers the ability to easily automate the best delivery option for the best price. Additionally, clients can have security in the knowledge that they can refer difficult customer service cases to the shipping company directly to troubleshoot.

Spotlight on
E-Commerce Platform

Weebly

For global e-commerce platform Weebly, which empowers creative entrepreneurs to sell their wares online, giving their customers access to fast and cost-effective shipping options is critical to maintaining a competitive offering. With a target audience that spends thousands of dollars on postage each month, being able to offer up to 40 percent off rates at the post office can make a big difference in the profitability of a business.

“Shipping is one of the most time-consuming and stressful parts of running an online store—if you don’t do it right, there are all kinds of consequences,” says Yin Li, Commerce Product Manager at Weebly. “Many of our sellers are at the stage where they realize that how they handle shipping will make a big impact on their bottom line—and top line.”

But competitive shipping options is not the only factor Weebly considered when choosing a shipping partner. For their tens of thousands of merchants looking to ship a product, they had to look for a partner that they could work with on a scalable integration that could quickly and seamlessly onboard merchants and give them access to dynamic shipping rates from a broad range of carriers. “Shippo’s OAuth process made it possible for all of the account setup to be handled behind the scenes, keeping our customers on the Weebly platform,” said Li. “If our busy entrepreneurs had to go off the platform to register, it would be very hard to scale.”

SEAMLESS INTEGRATIONS = BETTER USABILITY = HAPPIER CUSTOMERS

Many existing shipping solutions, whether they are custom builds or APIs, require sellers to jump on and off the platform to interact with carriers and other vendors, which is annoying and disruptive. The advantage of integrating a third party like Shippo is that it makes shipping a natural extension of your platform's experience, built directly into the UI. After an initial authorization from customers to perform actions on their behalf, Shippo handles all aspects of the shipping process behind the scenes. This results in superior usability and an intuitive interface that removes friction during the customer signup and onboarding process and integrates all the seller's existing accounts.

**“Once you start making people login to other places,
they say ‘forget about it.’”**

William Wynn
Lead Software Developer, CartRover

What do
we mean by
OAuth?

OAuth is a secure way to allow third parties limited access to account information without having to give them login credentials directly. For example, when you allow an app to access your Facebook profile, you've just consented to an OAuth handshake. At Shippo, we've implemented the same protocol for our services.

Over the last few years, OAuth has become a gold standard in the shipping industry that allows e-commerce platforms to easily integrate with Shippo. The OAuth process creates a more seamless registration experience for sellers that allows them to exchange information without taking more steps than necessary. At the same time, it allows the user to opt out and revoke access at any time, which is hard to do if users share their actual credentials.

At Shippo, we built OAuth to support platforms that want to offer a white label shipping experience to their customers, but don't want to handle billing. As the speed of commerce accelerates, e-commerce platforms need systems in place that empower them to execute faster. Billing errors — and the time and effort it takes to correct them — are often an unintended consequence of the strained timeliness of e-commerce. That's where OAuth can deliver enormous value — by offloading time-consuming tasks through a seamless, secure exchange of information.

GOODBYE TO BILLING HASSLES

One of the most onerous aspects platforms and sellers face when dealing with shipping is handling the billing process. Offering buyers the option to choose between multiple carriers and types of service adds a layer of complexity to processing transactions. Because existing APIs for shipping services require platforms to manage billing on their own, they are forced to spend precious time and energy making sure the job is done timely and accurately.

Integrating with Shippo using the OAuth process allows sellers and platforms to perform detailed and complex billing processes without having to handle the billing themselves. By spearheading the billing on behalf of platforms, Shippo also handles shipping fraud as an added benefit.

STREAMLINED SHIPPING LEADS TO MASSIVE TIME SAVINGS

By integrating shipping, businesses access all the benefits of a best-in-class technology without spending the upfront time and investment of resources, so that they can focus on their own business. The more time they have to spend refining their unique offering, the greater competitive advantage they have.

Not only does a third-party shipping integration allow clients to minimize development time required to get a world-class shipping offering up and running, it allows them to cut down on time spent on billing, onboarding, and customer support efforts. For businesses that often work with sellers with specialized requirements, eliminating these tasks is particularly valuable.

SCALE WITH CONFIDENCE

In addition to cutting down on the time spent processing billing on the backend, third-party integrations speed up the time it takes for e-commerce platforms to scale their shipping offering across multiple sellers. With existing APIs, platforms have to continuously track and communicate changes in seller status (e.g., increasing or decreasing in order volume) to ensure they get continued access to the best possible shipping rate discounts.



“We had to find a partner who could create an integration with us that could scale across tens of thousands of stores quickly—Shippo made it really easy for us.”

Yin Li
Commerce Product Manager, Weebly

By incorporating shipping through a service such as Shippo, e-commerce platforms can offload the heavy-lifting required to build a world-class shipping experience and let their customers enjoy seamless access to it. Scaling across businesses becomes much easier when they can proceed with the confidence that their shipping functionality can keep up.

IT'S ALL ABOUT THE CUSTOMER EXPERIENCE

Staying competitive in today's online retail market requires creating a truly exceptional customer experience. Knowing, understanding, and communicating to customers in a way that is clear, consistent, and thoughtful from start to finish has never been more important, and that requires time and investment. For an organization to be successful in this arena, it must have superior technology tools and infrastructure in place. By outsourcing your shipping functionality, platforms can deliver a more customer-centric experience that gives them a leg up in a competitive market.

ABOUT SHIPPO

If you're looking to bring shipping in-house to help you with your operations, check out Shippo. Using our multi-carrier shipping API, you'll be able to access the benefits discussed in this guide.

With Shippo, you can connect with dozens of global shipping carriers across North America, Europe, and Australia.

If you're interested in having a consultation to help you decide how you should integrate shipping, let us know at sales@goshippo.com.